

Fauquier County Economic Indicators



September 30, 2012
Office of Management and Budget

I. Executive Summary

Fiscal health can be measured by a myriad of factors which provide insight to current and historical economic conditions, future projections, budget preparation, and determining needs or priorities of the community.

The data provided in this document is a means of presenting fiscal health characteristics in terms of current trends as a quick snapshot of the market today which can indicate where the market is moving or of historical trends to display the trends of the market over multiple fiscal or calendar years. Current trends provide context for the historical trends of the economic environment, its prolonged expansion or contraction of the market, and signs of change.



The information that follows was derived from various sources including federal, state, or local government and the private sector. The information collected is based on 8 key categories for both current and historical trends: bankruptcy filings, businesses, community development fees and permit issuances, employment, environmental services tonnage data, residential sales and foreclosures, local revenues, and taxable sales.






Section II of the document provides a table of key observations for both current and historical economic indicators. For current economic indicators, observations are given a rating of positive, neutral, or negative based on their impact to the economic environment. Section III of the document provides overview of the economic indicator categories with various graphs. The section is divided into two sections: current and historical economic indicators.

II. Trends and Analysis

A. Current Economic Indicators

The following table displays key observations in the review of current economic indicators. The trend for each key indicator listed below is rated by one of the following symbols:

-  **Positive trends observed; can be an indicator of market expansion**
- **Neutral trends observed; changes can be an indicator of decline or growth**
-  **Negative trends observed; can be an indicator of market contraction**

Category	Indicator	Trend	Comments
Community Development	Community development fees	-	Community development fees remained relatively flat through the first quarter of FY 2013.
Community Development	Building & new residential construction permits		The number of new residential construction permits continues to improve. Building permits for the first quarter of FY 2013 increased by 4% over the same period of FY 2012.
Employment	Unemployment rate	-	The County's unemployment rate remains one of the lowest in the State at 4.5% in August 2012 and the fifth lowest overall.
Employment	Unemployment insurance claims		September marked the lowest month of initial claims since the start of the recession. Continued claims remain stable.
Environmental Services	Landfill tonnage	-	Landfill tonnage remains stable.
Environmental Services	Recycling tonnage	-	Recycling tonnage remains stable with continued signs of slow construction and demolition recycling growth.
Local Revenue	County sales tax collections		Sales tax collections continue to rise in comparison to the same month of the prior year. August 2012 marked the 23 rd straight month of increase by month over the prior year.
Residential Housing Market	Days houses are on market	-	While the average number of days houses are on the market has decline throughout most of 2012 for the County, the County's average is higher than other neighboring jurisdictions.
Residential Housing Market	Median sales price		Median home sale prices continue to improve, trending closer to \$300,000.
Residential Housing Market	Foreclosures and short sale listings	-	Foreclosure and short sale listings remain stable at a level lower than the highs of the recession.
Residential Housing Market	Number of homes sold		The number of home sales has stabilized to pre-recession levels with marked improvement since January. The number of homes sold has risen over 75 per month since the spring, which is highest average since the beginning of the recession or during the first-time homebuyer tax credit period.

B. Historic Economic Indicators

The following table displays trends and observations relative to historic economic indicators and how those observations may impact current economic indicators.

Category	Indicator	Trend	Comments
Bankruptcy Filings	Number of bankruptcy filings	↑	The number of bankruptcy filings for both business and non-business filings has declined over the last 12 months.
Businesses	Number of new licenses issued	↓	While the decline in the number of new licenses issuance lessened between FY 2010 and FY 2011, the decline heightened between FY 2011 and FY 2012.
Businesses	Number of startup firms	-	While activity in Summer 2011 slowed, it recovered to a normal level in the Fall.
Residential Housing Market	Foreclosures by loan type	↑	Foreclosures continue to remain at levels lower than the height of the recession for all loan types. No significant increases have been observed.
Taxable Sales	Taxable sales	↑	Taxable sales continue a trend of slow, modest growth. The fourth quarter of FY 2012 showed signs of recovery and growth for business categorized as building and garden material suppliers with taxable sales reported at its highest level in four years.

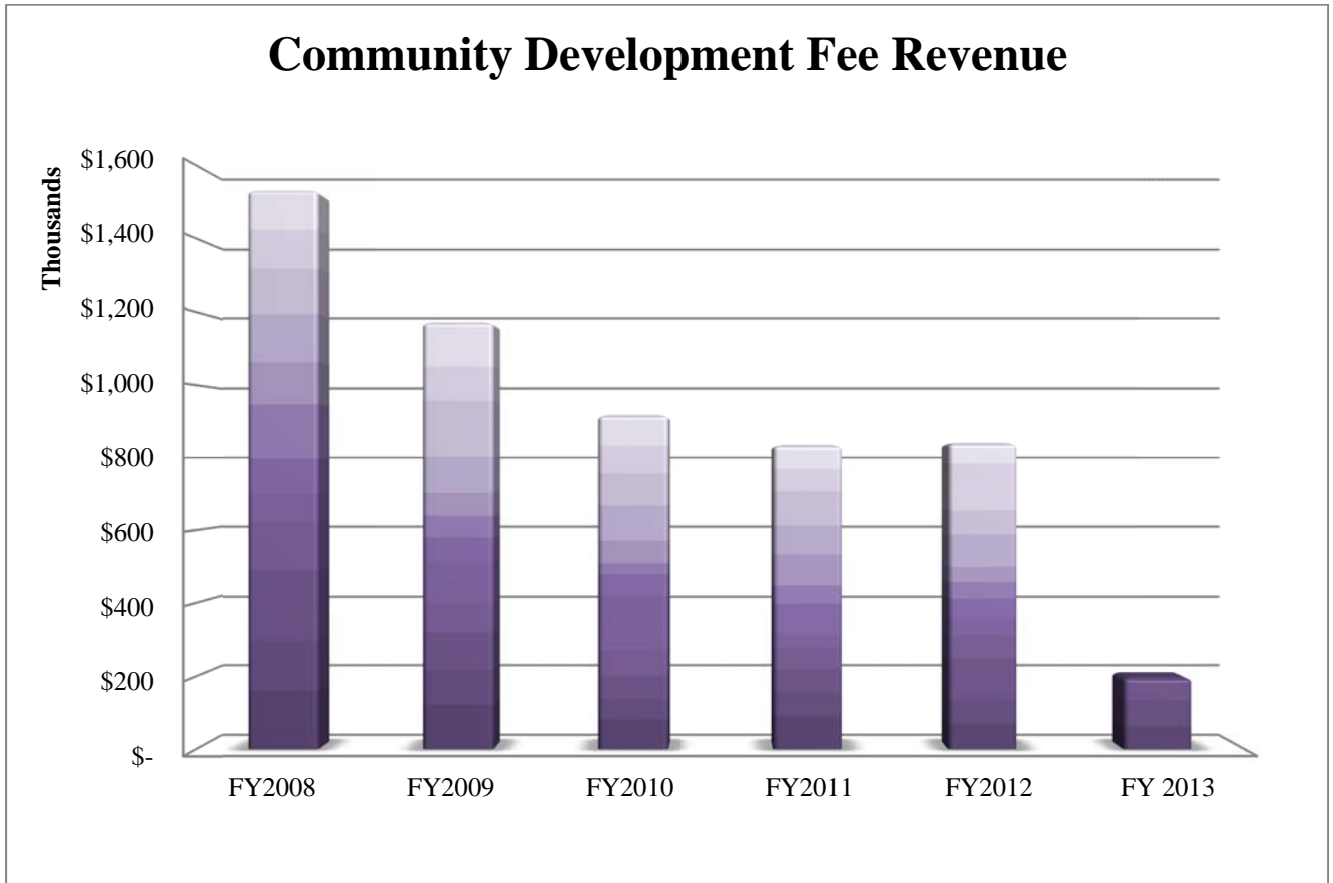
III. Economic Indicators – Data

A. Current Economic Indicators Data

1. Community Development

a) Community Development Fees

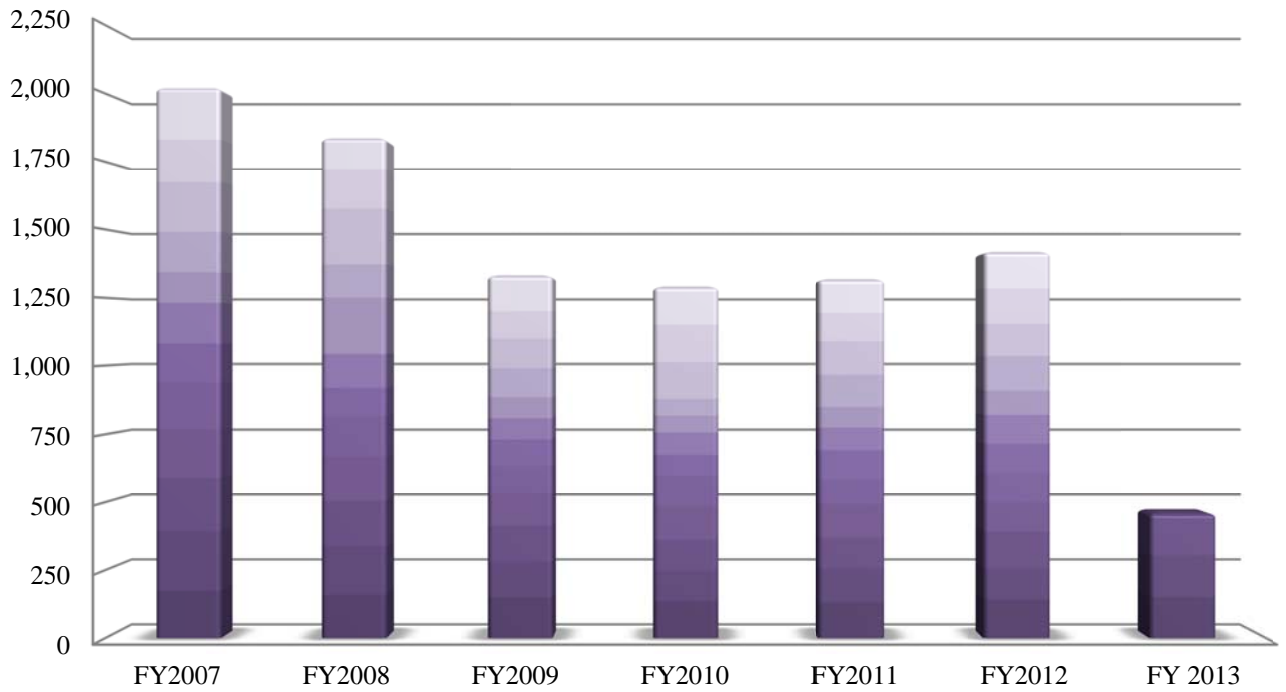
The first quarter of FY 2013 maintains the relatively flat trend in community development fee revenue. While no marked improvements have been observed, the revenue remains stable.



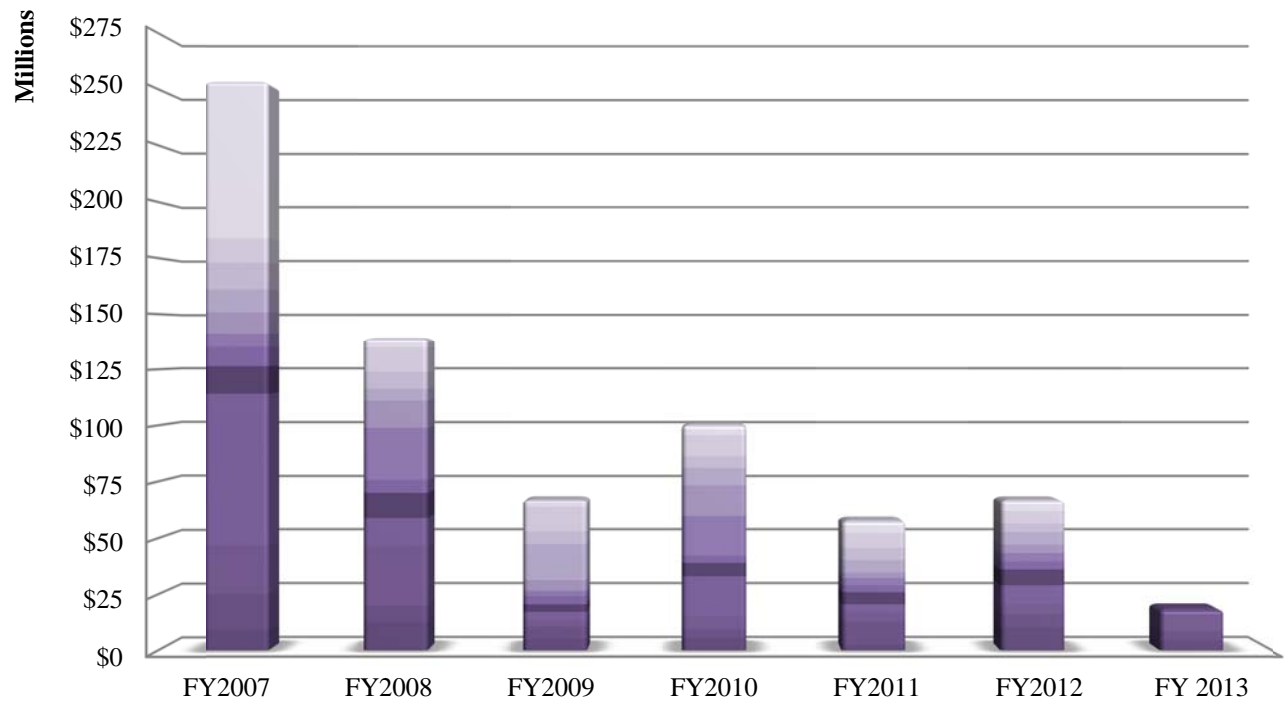
b) Building Permits

Building permits have experienced growth in the first quarter of FY 2013. Continued improvements throughout the fiscal year would be indicative of a slow building and construction recovery. New homes construction continues to show signs of improvements and stable growth in the number of permits.

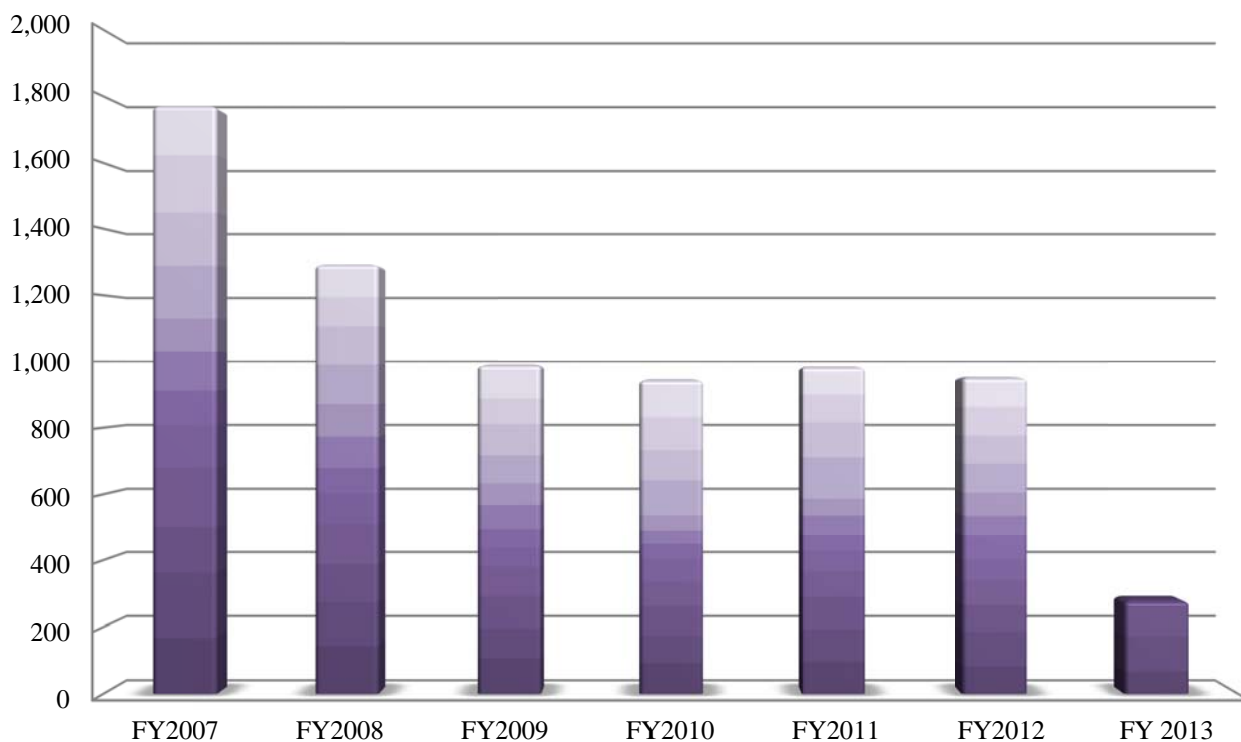
Building Permits Issued



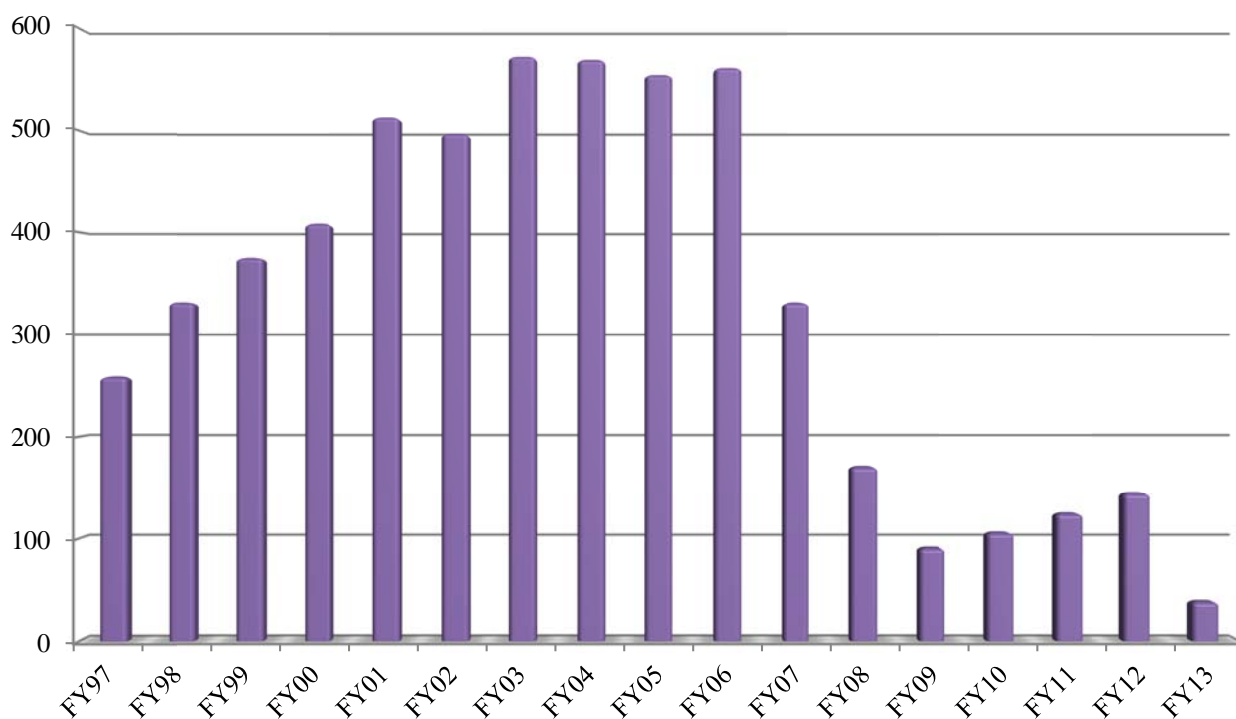
Total Construction Value of Building Permits



Residential Plan Reviews



New Home Construction Permits Issued by Year

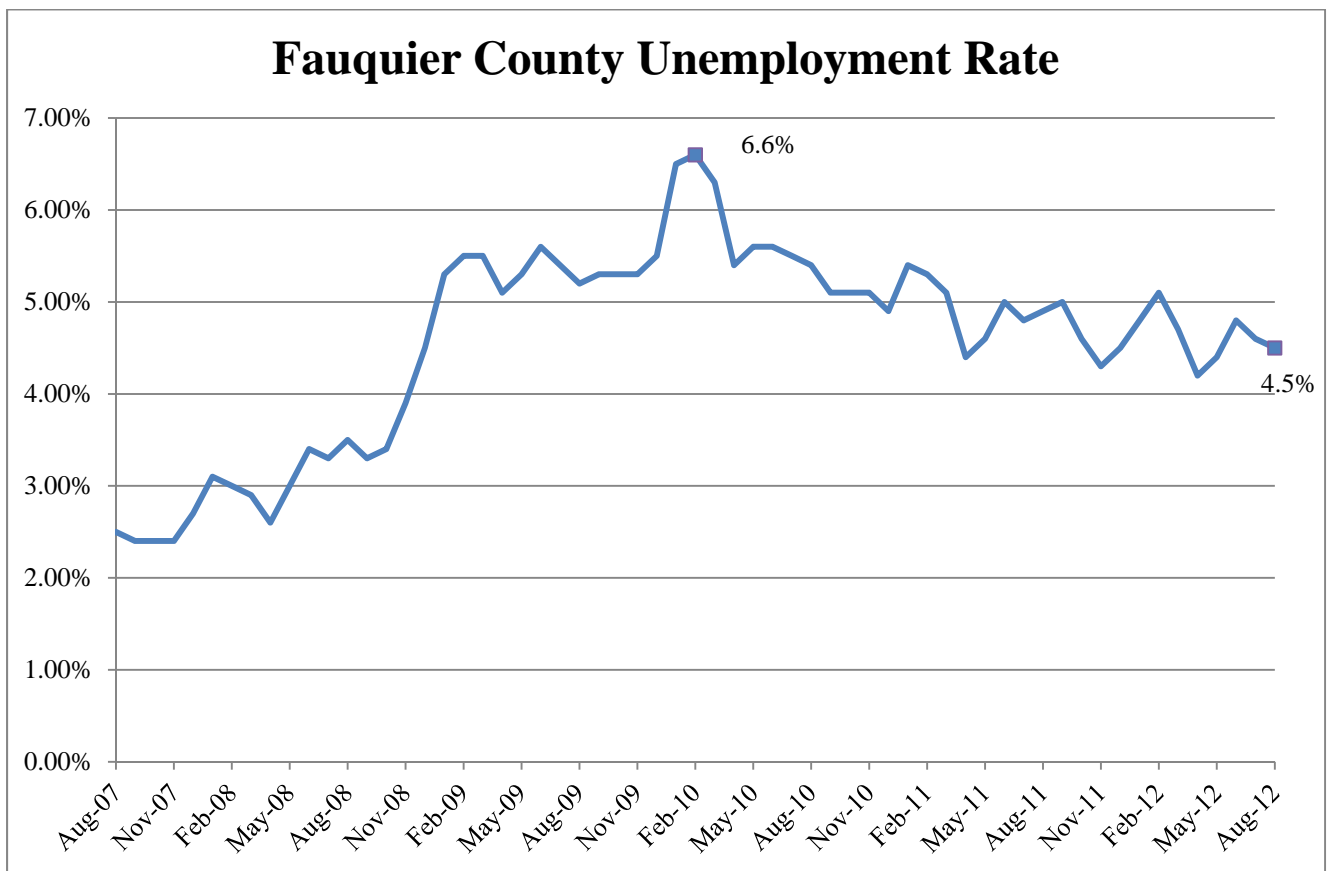


Source: Community Development

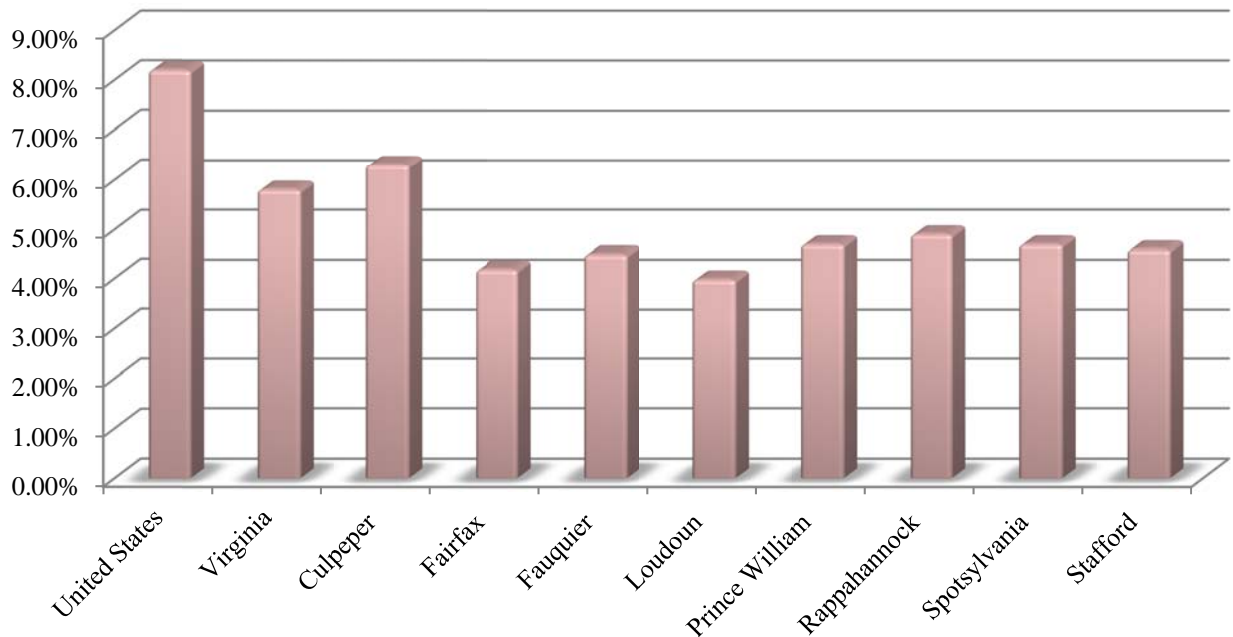
2. Employment

a) Unemployment Rates

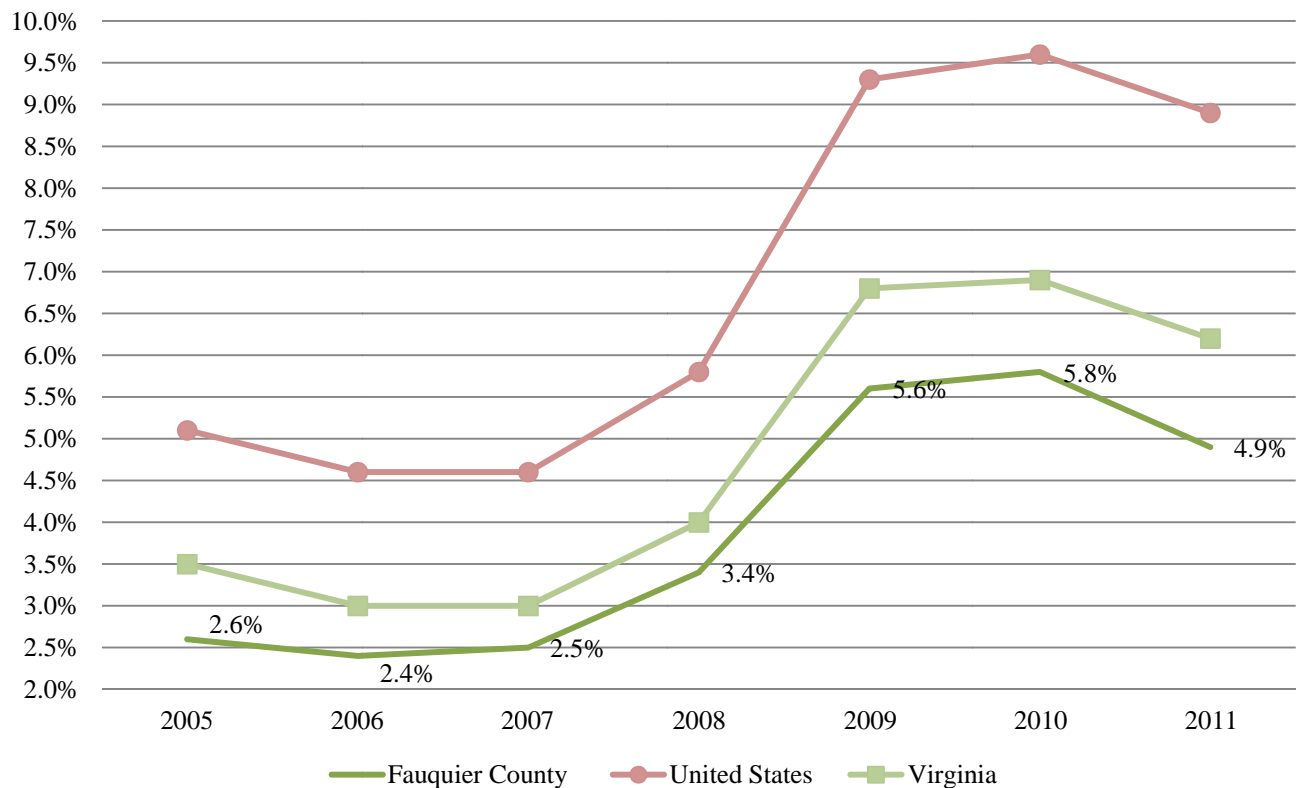
Unemployment for the United States and the Commonwealth of Virginia has begun to show the first signs of positive change in the first quarter of FY 2013. The Fauquier County unemployment rate remains on a slow decline. In comparison to other local jurisdictions, Fauquier County's August 2012 unemployment rate of 4.5% trails Arlington, Loudoun, Fairfax, and Goochland; ahead of Alexandria, Prince William, Rappahannock, Stafford, and Spotsylvania County; and is significantly lower than Culpeper County at 6.3%. Overall for the Commonwealth, Fauquier County ranked 5th behind Arlington, Loudoun, and Fairfax; and is equal to Fluvanna.



August 2012 Unemployment Rates not seasonally adjusted



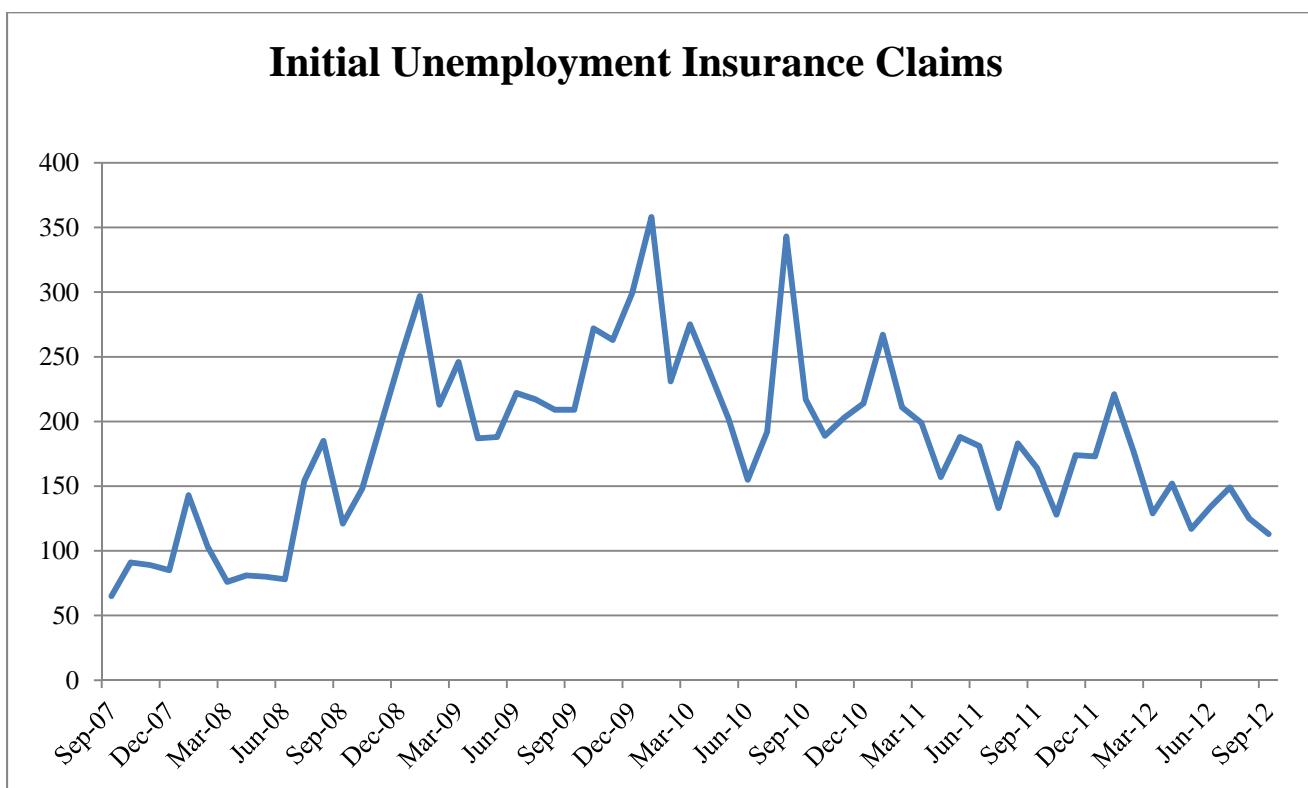
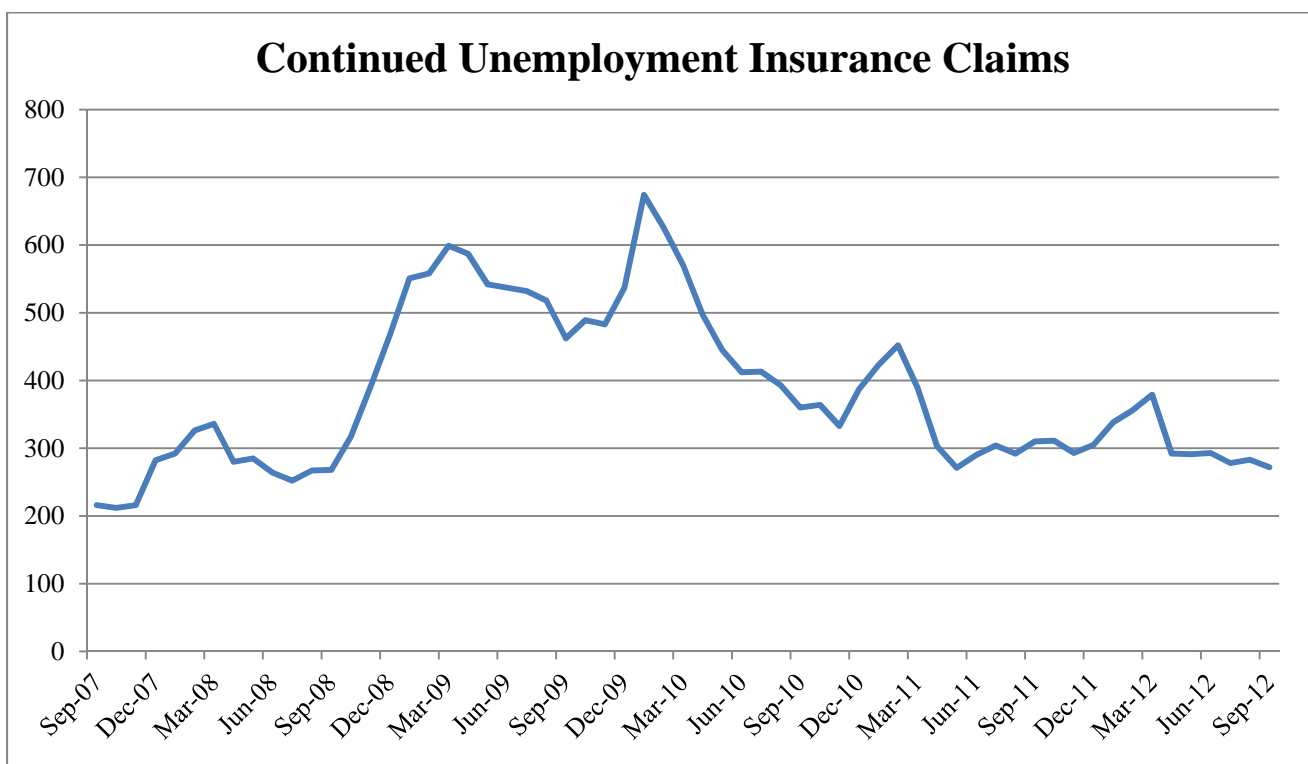
Average Annual Unemployment Rates not seasonally adjusted



Source: Virginia Employment Commission.

b) Unemployment Insurance Claims

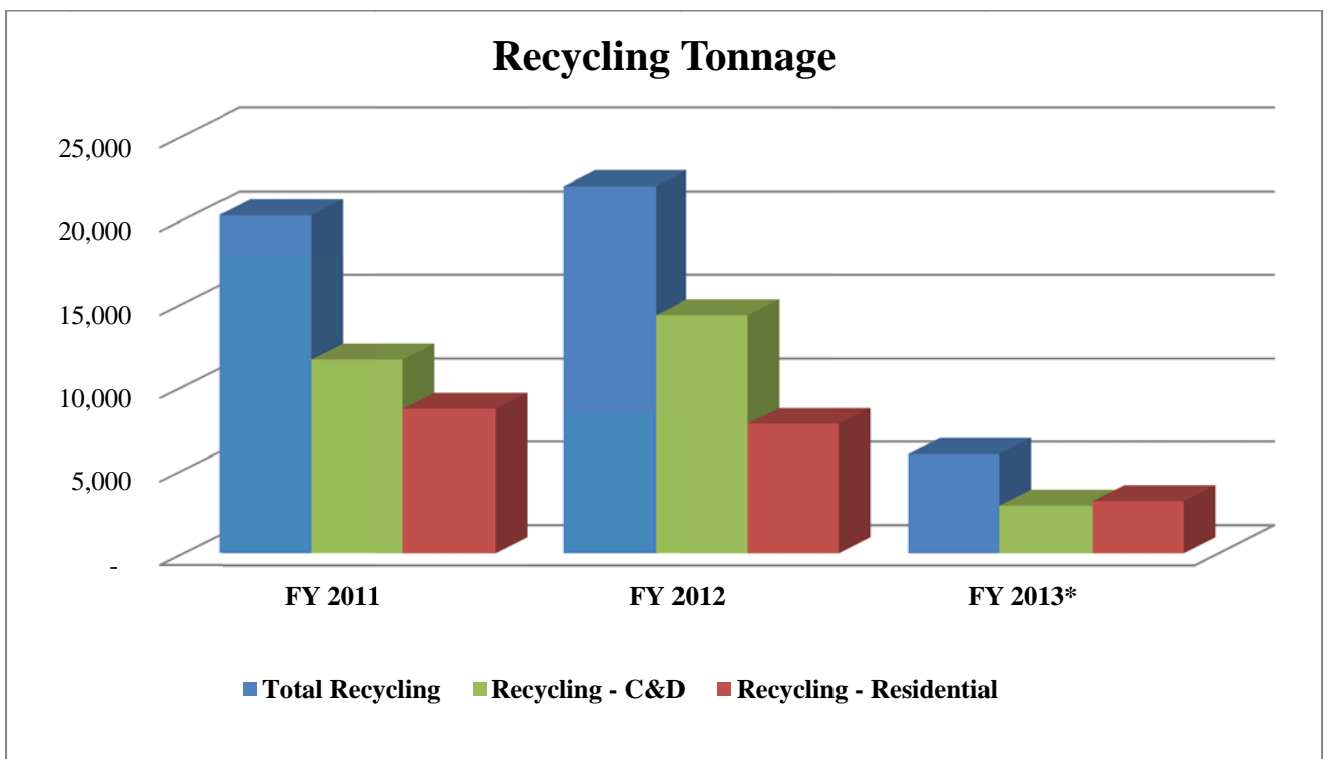
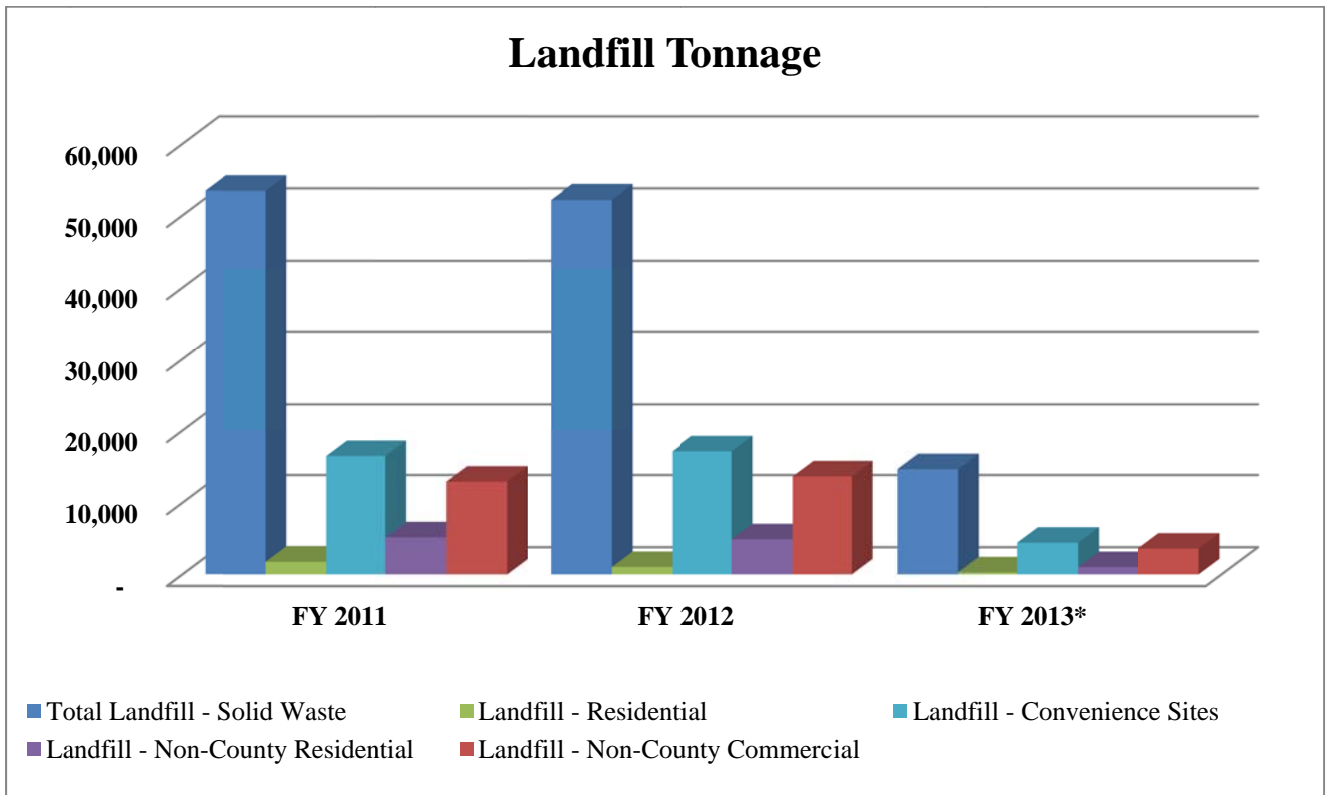
Continued and Initial unemployment insurance claims continue to decline with only seasonal fluctuation. Initial claims for September 2012 were the lowest since the summer – fall months of 2008.



Source: Virginia Employment Commission

3. Environmental Services

The first quarter of FY 2013 continues the trend of FY 2012 with stable to slightly improved landfill and recycling tonnage. Construction and demolition recycling has shown improvements in the first quarter of FY 2013.



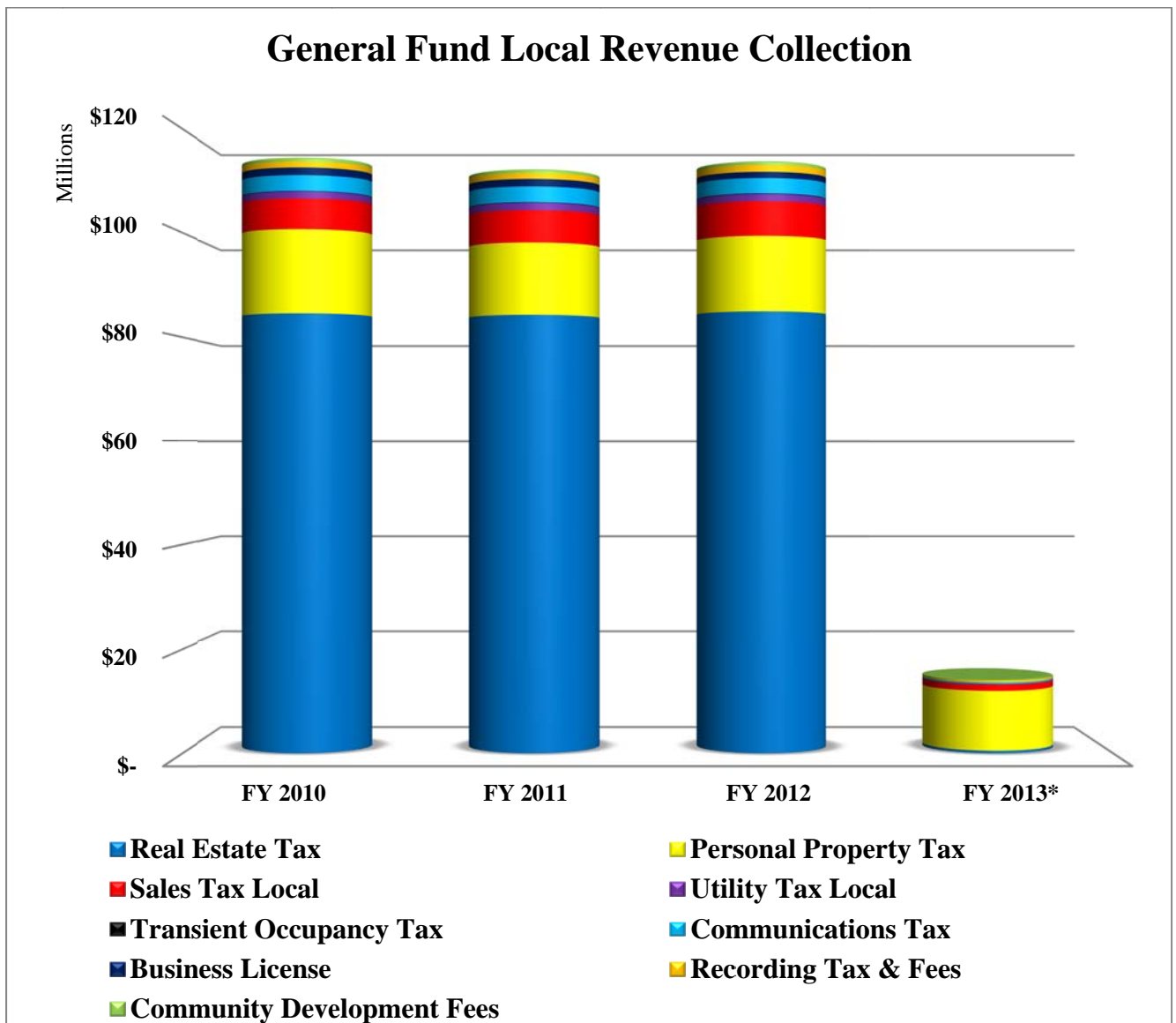
Source: Environmental Services. * Recycling and Landfill tonnage for FY 2013 as of September 30, 2012.

4. Local Revenues

The following graphs display key General Fund local revenue sources. Local revenue sources observed are real estate tax, personal property tax, sales taxes, utility tax, communication tax, recoding tax and fees, business and other professions licensing tax and fees, and transient occupancy tax revenue.

a) General Fund local revenue collection

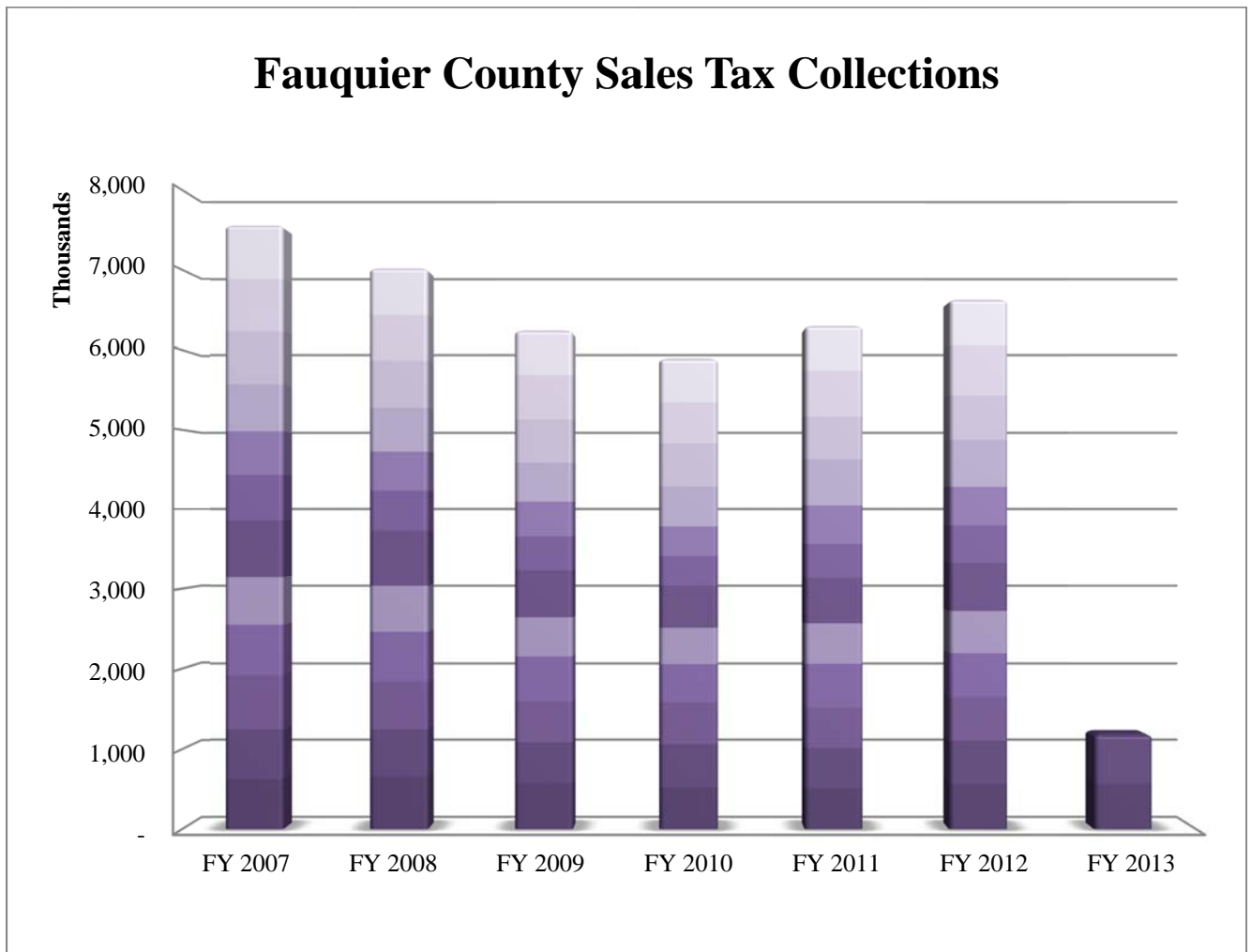
General Fund local revenue collections for FY 2012 indicated modest signs of growth with similar activity projected in FY 2013. Sales tax collections continue to improve throughout 2012.



*FY 2013 as of October 15, 2012.

b) Sales Tax Revenue

Monthly sales tax collections continue to improve throughout 2012. In comparison to the same month of the prior year, sales tax collections have either grown or been equal to the prior period for 23 straight months.

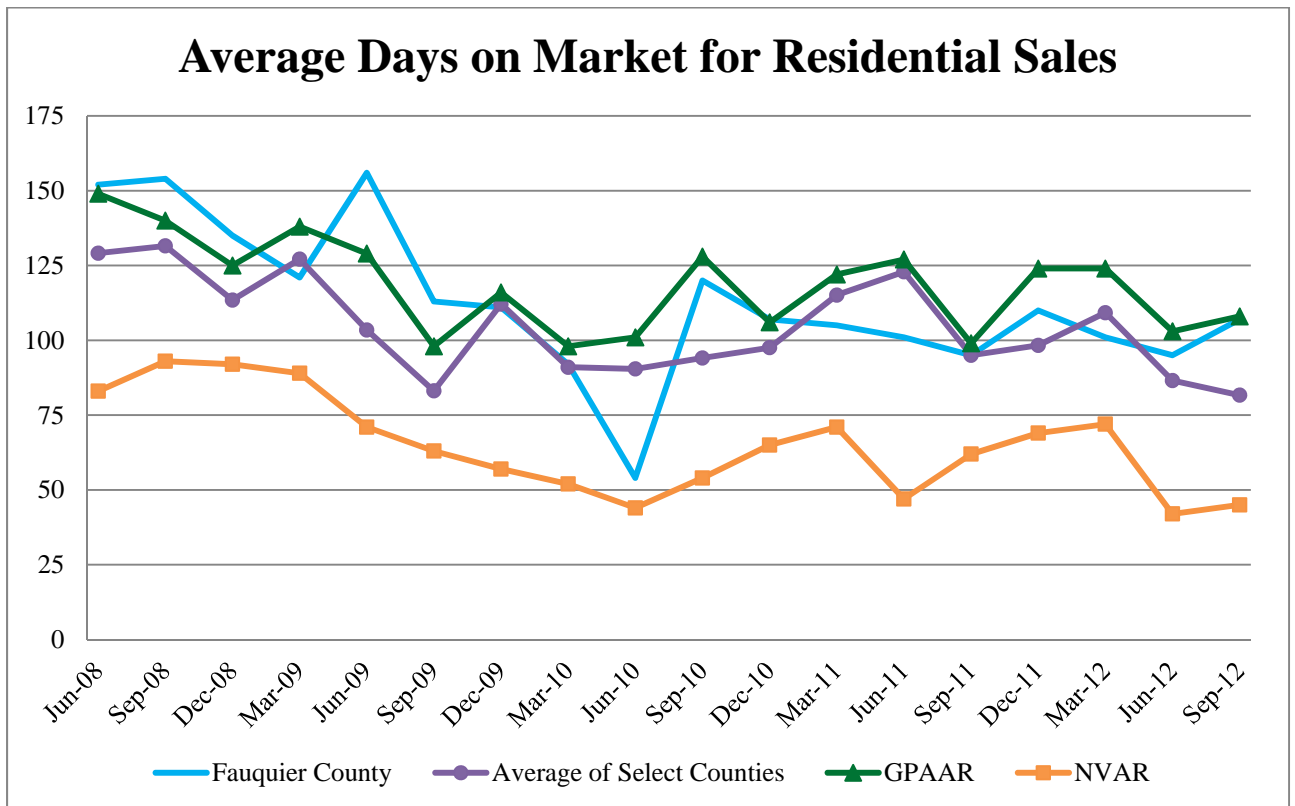


5. Residential Housing Market – Current Data

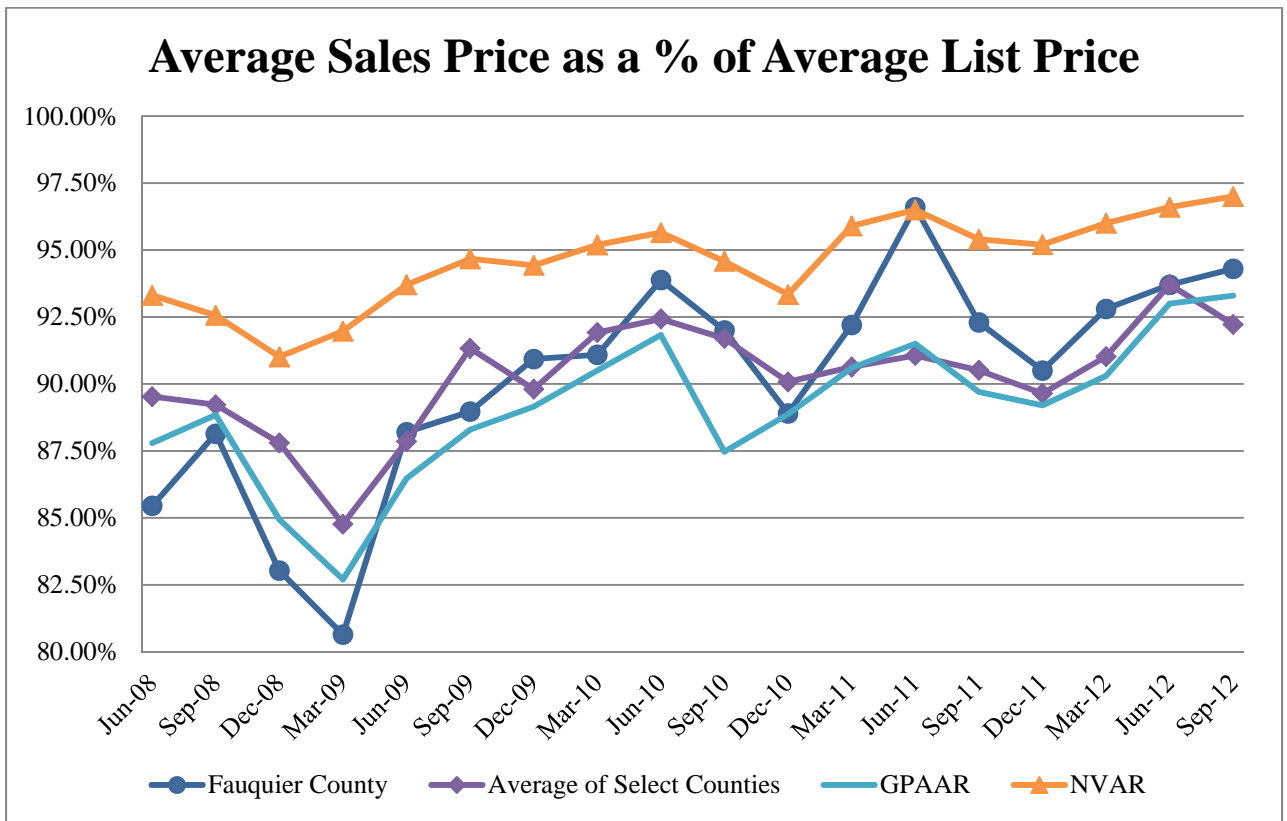
The following charts provide data on various characteristics of the local residential housing market. The graphs display data for Fauquier County, the Greater Piedmont Area Association of Realtors, Northern Virginia Association of Realtors, and/or an Average of select counties. The Greater Piedmont Area Association of Realtors (GPAAR) is composed of the following counties: Fauquier, Culpeper, Orange, Madison, and Rappahannock. The Northern Virginia Association of Realtors (NVAR) is composed of the following counties or cities: Fairfax County, City of Fairfax, Arlington County, City of Alexandria, and City of Falls Church. The selected counties for purposes of averaging include Fauquier, Culpeper, Orange, Madison, Fairfax, Loudoun, Prince William, Rappahannock, and Spotsylvania.

a) Residential Sales

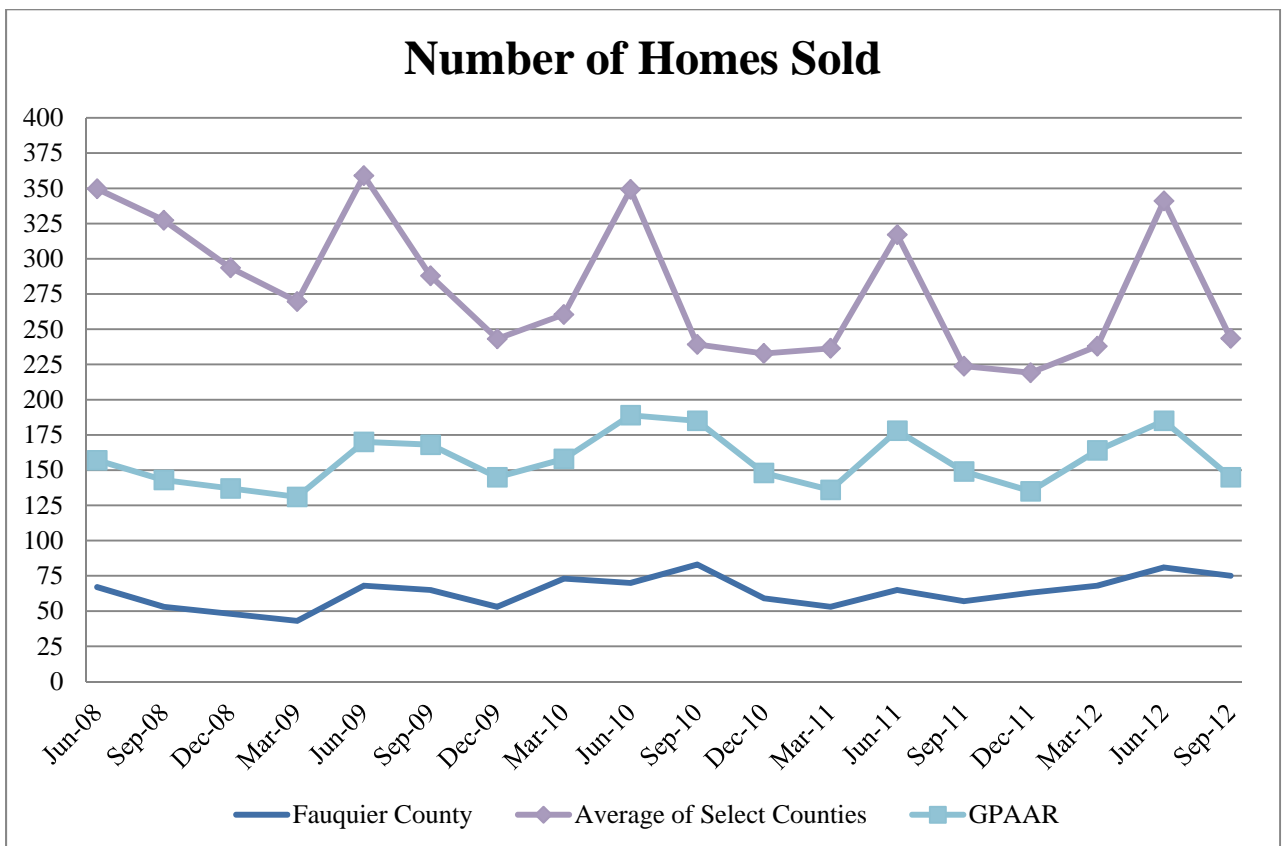
The County's housing market remains stable throughout 2012 with some signs of growth. The average number of days houses are on the market have only shown seasonal fluctuation, but are slightly above the average of other local jurisdictions. However, houses on average have sold at 90% or better of the original list price throughout 2012. The number of homes sold has been the highest throughout 2012 since before the start of the recession. Additionally, the median homes sales price is beginning to increase to \$300,000, a pre-recession level.



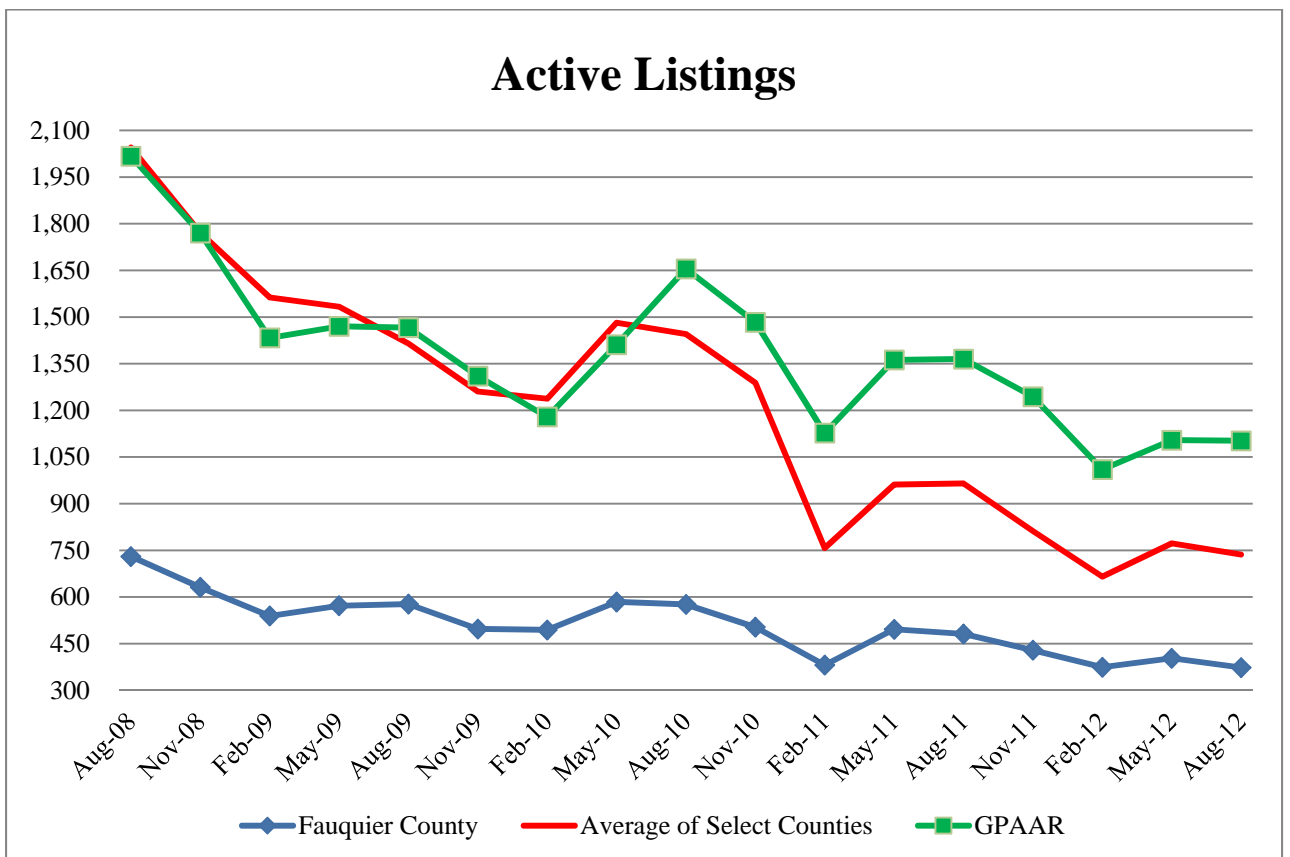
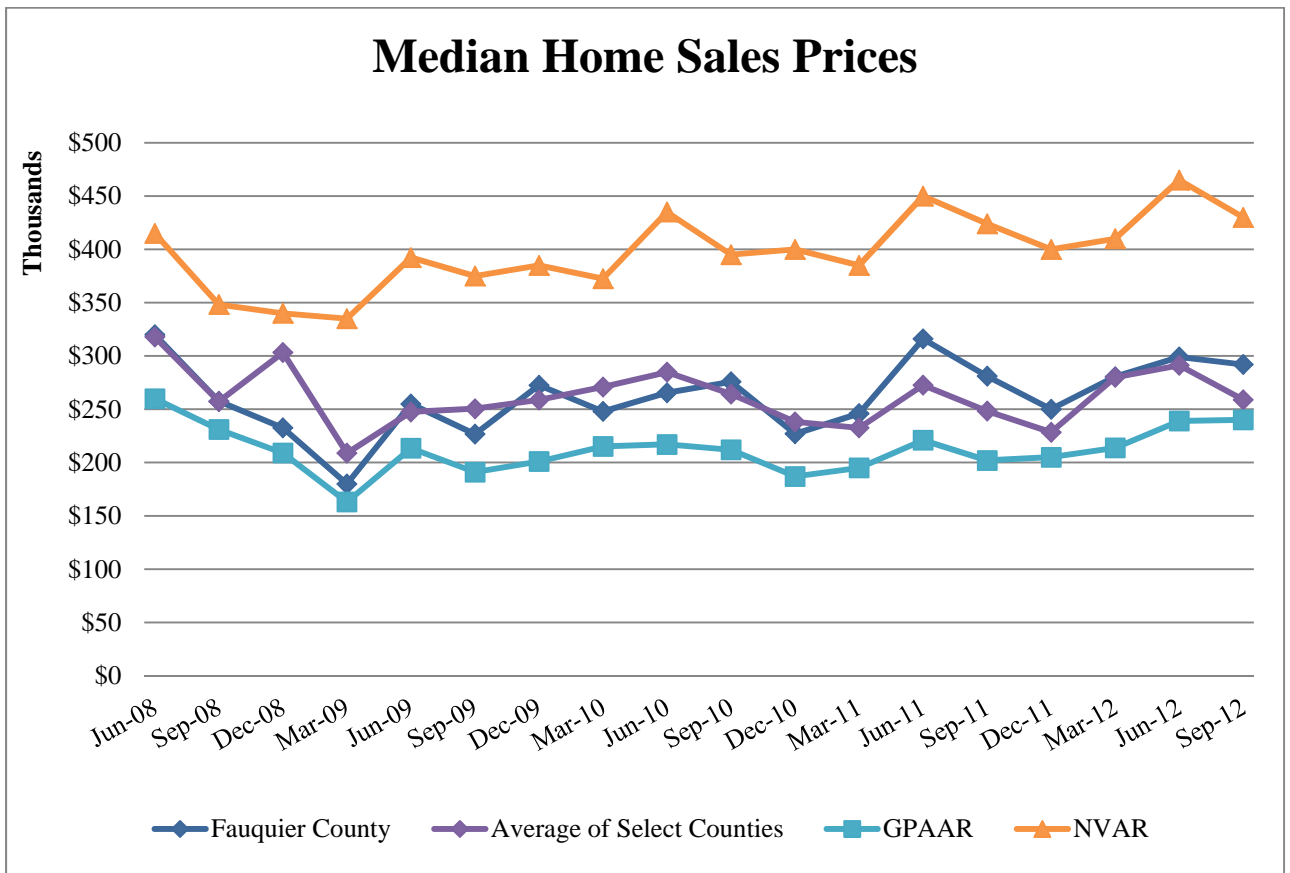
Source: Metropolitan Regional Information Systems, Inc. (MRIS)



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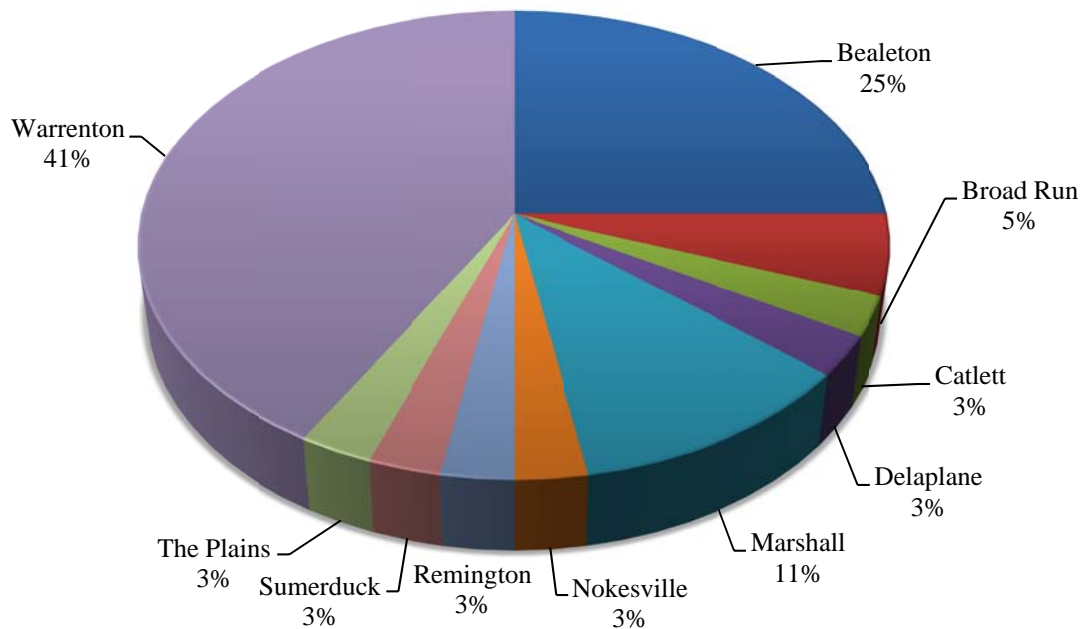


Source: Metropolitan Regional Information Systems, Inc. (MRIS)

b) Foreclosures and Short Sales

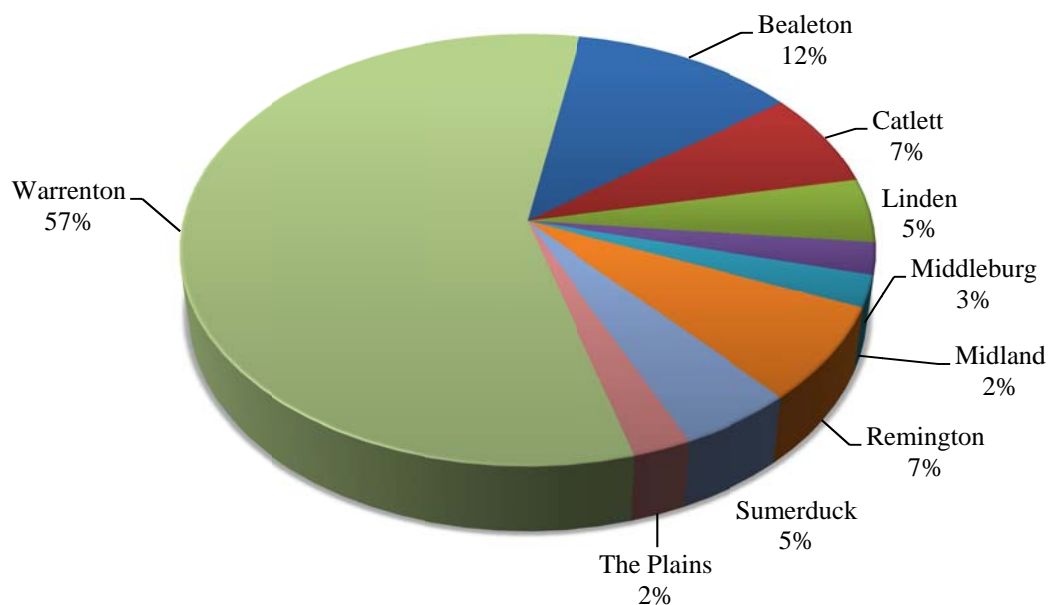
The volume of foreclosure and short sale listings has remained stable throughout 2012. The marked increase of short sales listings experienced in the fall of 2011 has not been observed at the onset of fall 2012.

Foreclosures Listings as of September 30, 2012



36 foreclosure listing as of September 30, 2012. Source: Redfin.com

Short Sale Listings as of September 30, 2012

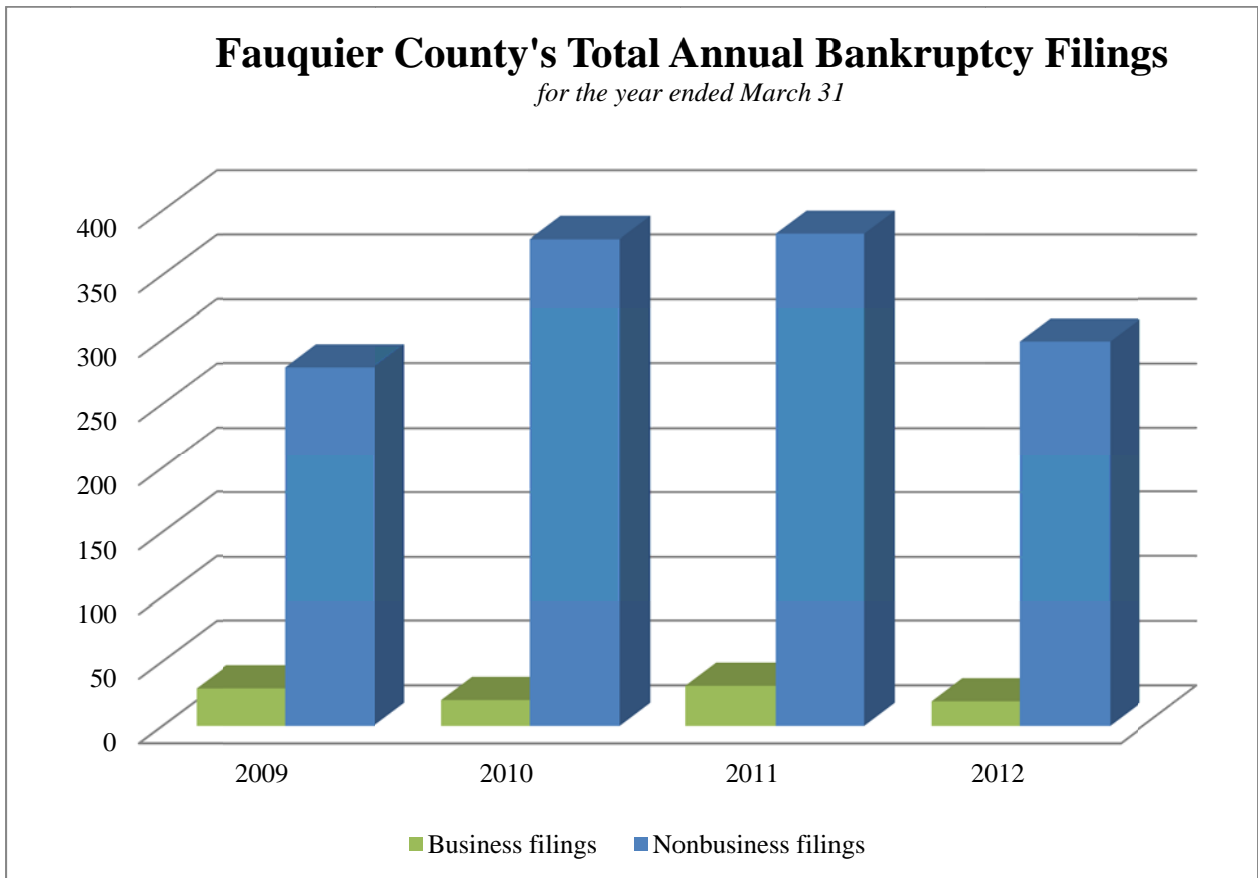


42 short sale listings as of September 30, 2012. Source: Redfin.com

B. Historical Economic Indicators Data

1. Bankruptcy Filings

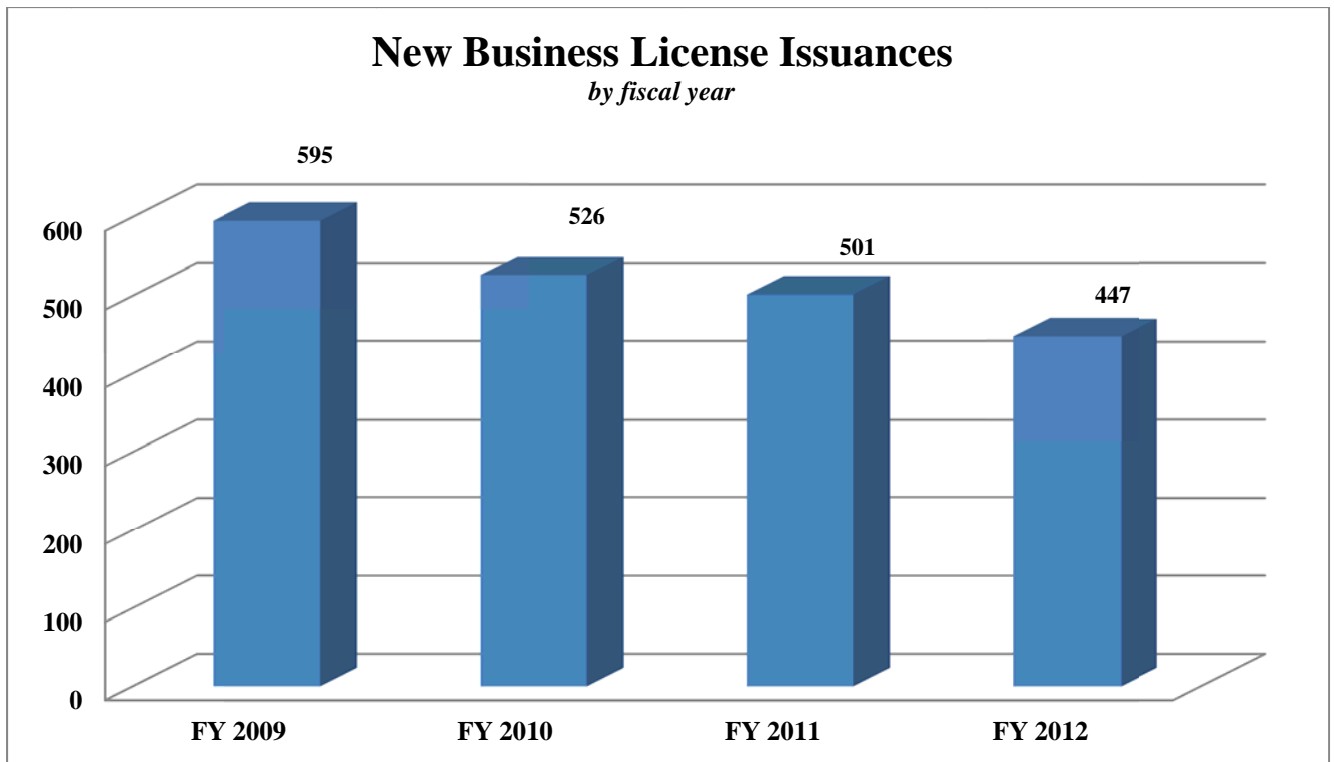
Bankruptcy filings into the first quarter of 2012 for both business and non-business filers have lessened from the elevated levels of 2010 and 2011.



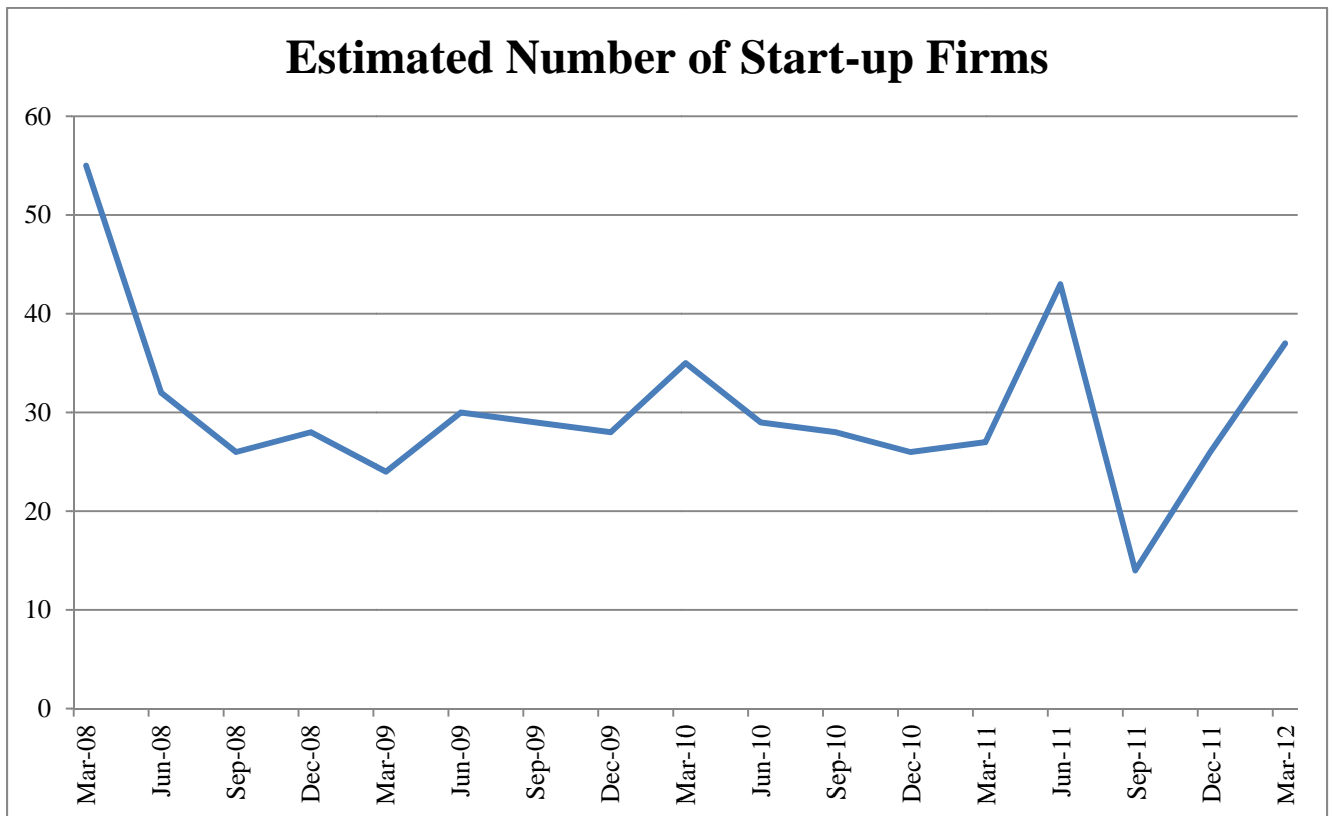
Source: United States Courts System

2. Businesses

The number of new business license issuances experienced a new low in FY 2012 with a 10.8% decline from FY 2011, approximately twice the decline experienced from FY 2010 to FY 2011.



Source: Commissioner of the Revenue



Source: Virginia Employment Commission

3. Residential Housing Market – Historical Data

a) Residential Foreclosures and Delinquencies

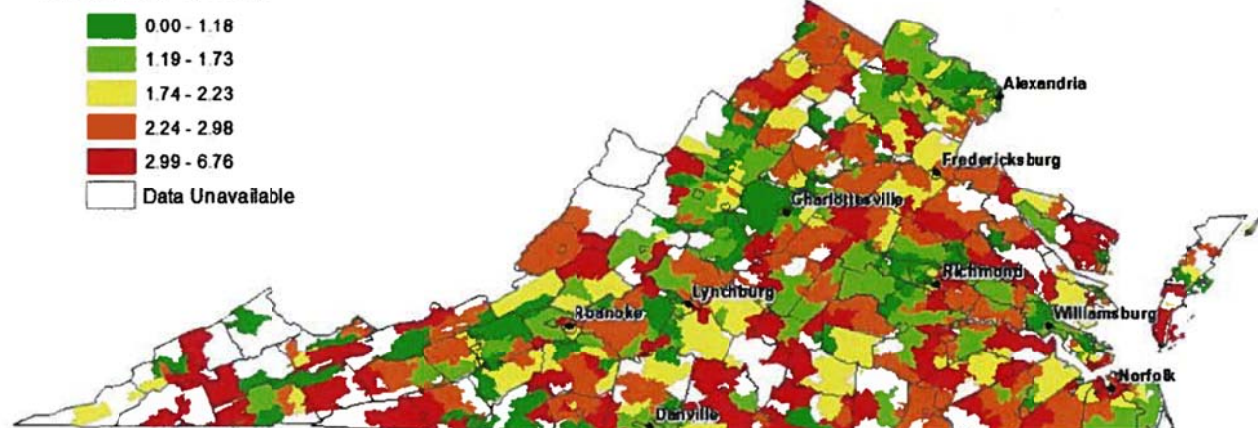
The following five graphs are prepared by the Federal Reserve Bank of Richmond as part of their quarterly mortgage performance summaries for the Commonwealth of Virginia display:

- Percentage of foreclosures or reo for owner-occupied mortgages – prime loans;
- Percentage of delinquencies for owner-occupied mortgages – prime loans;
- Percentage of foreclosures or reo for owner-occupied mortgages – subprime loans;
- Percentage of delinquencies for owner-occupied mortgages – subprime loans; and
- Percentage of owner-occupied mortgages with subprime loans.

Foreclosures and delinquencies in the County remain low in comparison to the other localities in Virginia and the region. The number of foreclosures and delinquencies for both prime and subprime loans continue to decline.

Percentage of Owner-Occupied Prime Loans in Foreclosure or REO²: Virginia

Percent in Foreclosure or REO by Zip Code

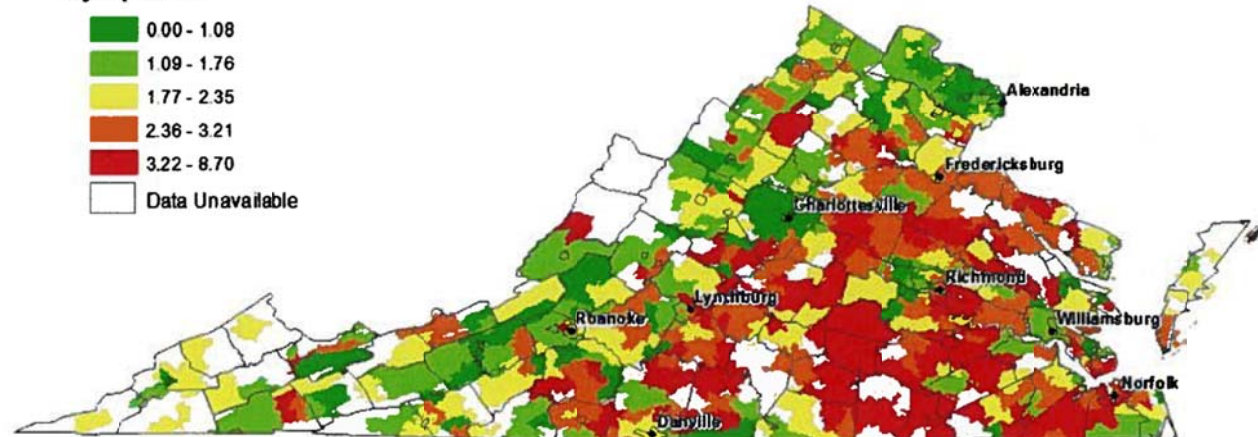


Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or no data available.

Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (June 2012)

Percentage of Owner-Occupied Prime Loans with 90+ Day Delinquency: Virginia

Percent Delinquent by Zip Code



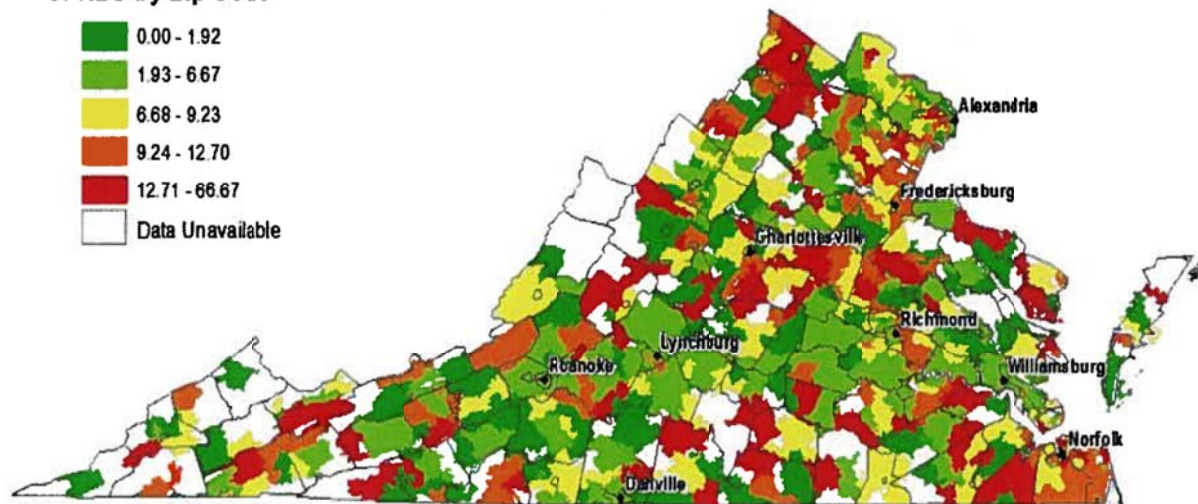
Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or no data available.

Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (June 2012)

² Real Estate Owned (REO) properties are in the possession of the lender due to foreclosure or forfeiture.

Percentage of Owner-Occupied Subprime Loans in Foreclosure or REO: Virginia

Percent in Foreclosure
or REO by Zip Code

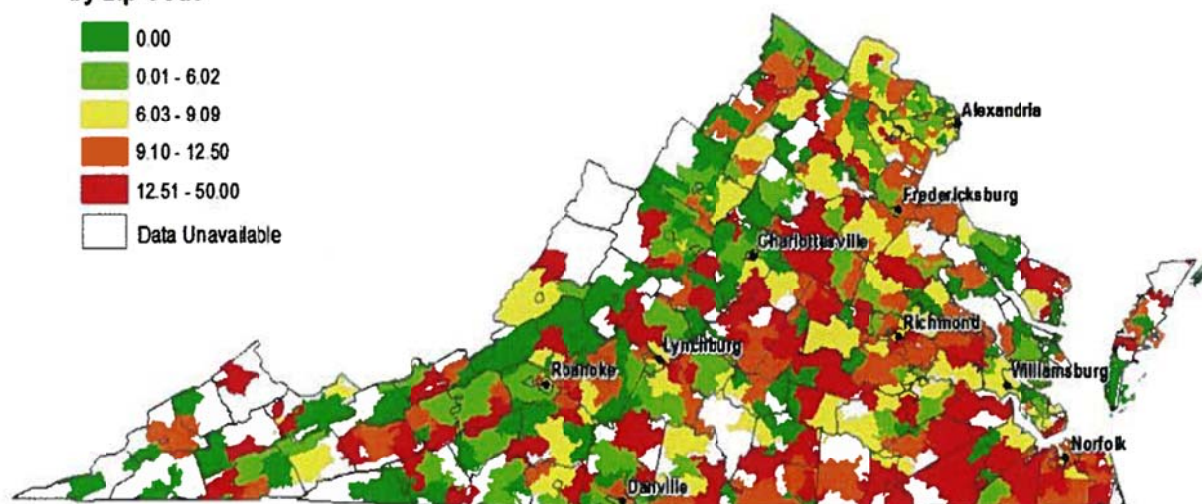


Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or no data available.

Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (June 2012)

Percentage of Owner-Occupied Subprime Loans with 90+ Day Delinquency: Virginia

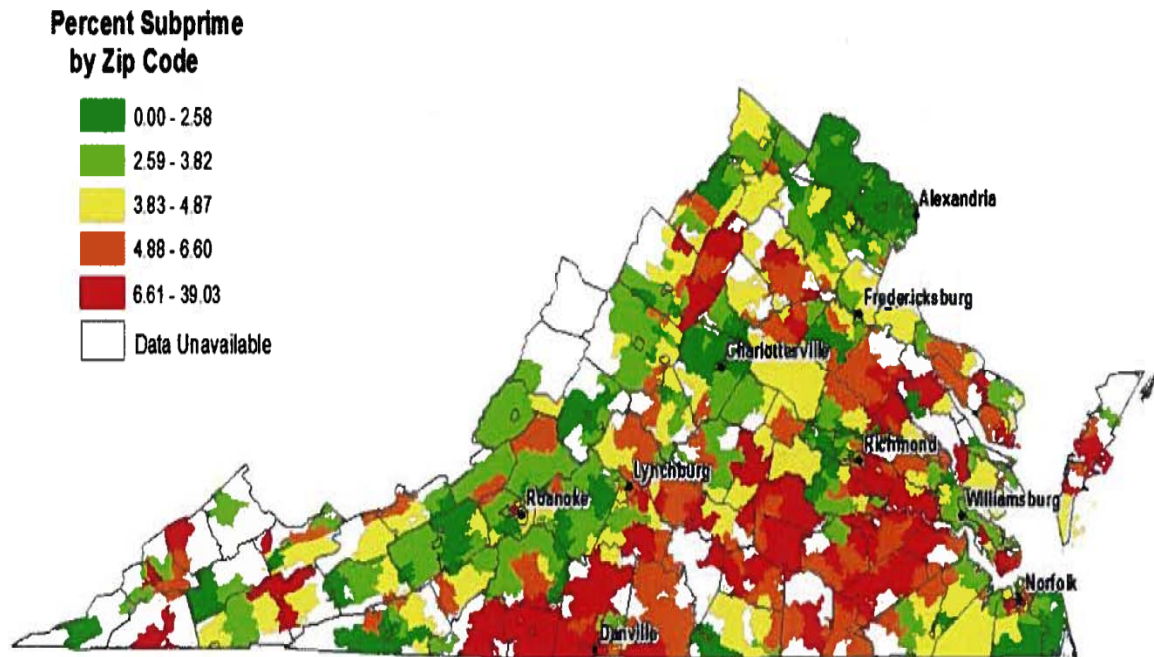
Percent Delinquent
by Zip Code



Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or no data available.

Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (June 2012)

Percentage of Owner-Occupied Mortgages with Subprime Loans: Virginia



Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or have no data available.

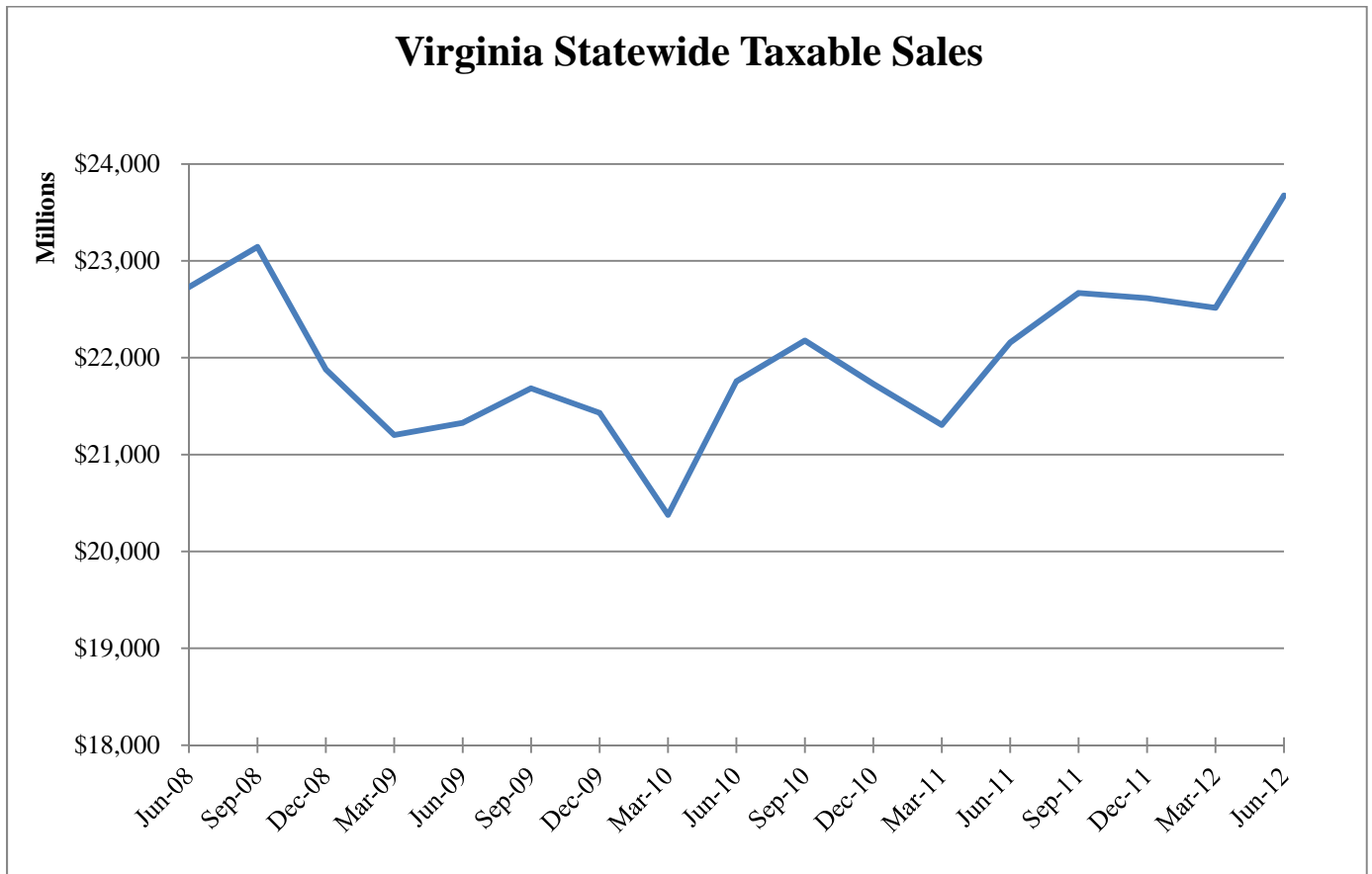
Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (June 2012)

4. Taxable Sales

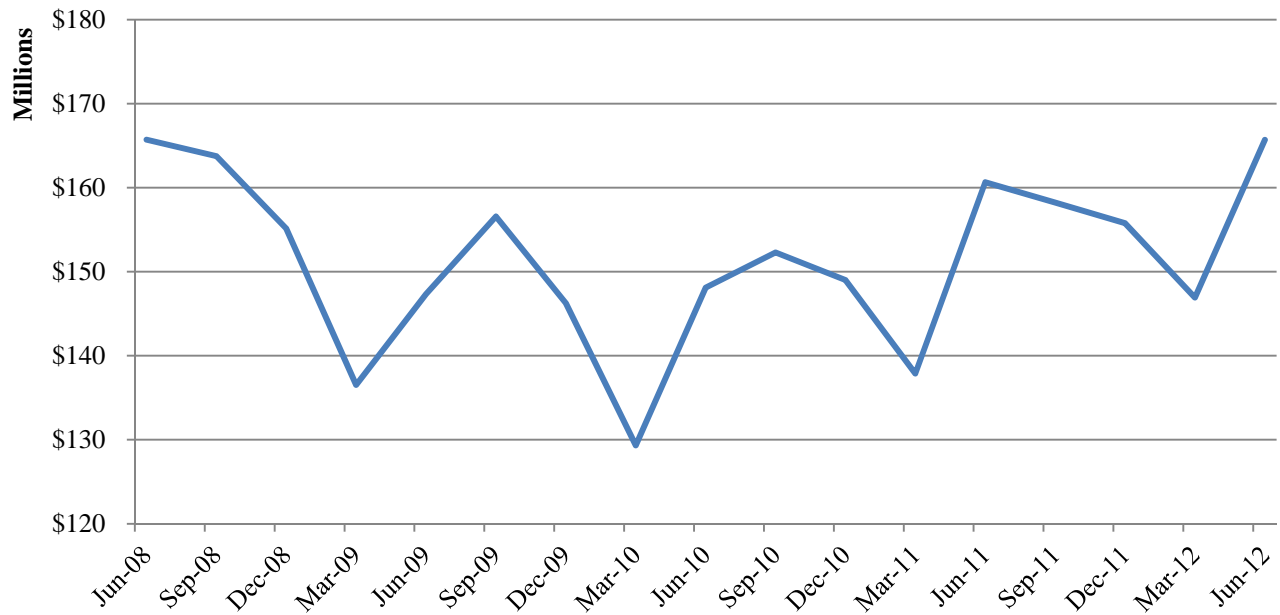
The following graphs provide data trends of taxable sales relative to the County, the State, and other local jurisdictions including:

- Virginia statewide taxable sales;
- Fauquier County taxable sales;
- Fauquier County total taxable sales for business classifications with sales in excess of \$10 million at the beginning or end of the recession; and
- Fauquier County taxable sales in comparison to Prince William, Loudoun, and Culpeper Counties.

The County's taxable sales continue a slow, but modest recovery. The County's largest business classifications of taxable sales, prior to the recession, continue to show improvements in 2012. Most notably, building materials and garden equipment suppliers have experienced their largest increase and highest volume of taxable sales in four years. Overall, the county's taxable sales appear to have bottomed in the 1st quarter of 2010 similar to the State with sustained growth since that time.

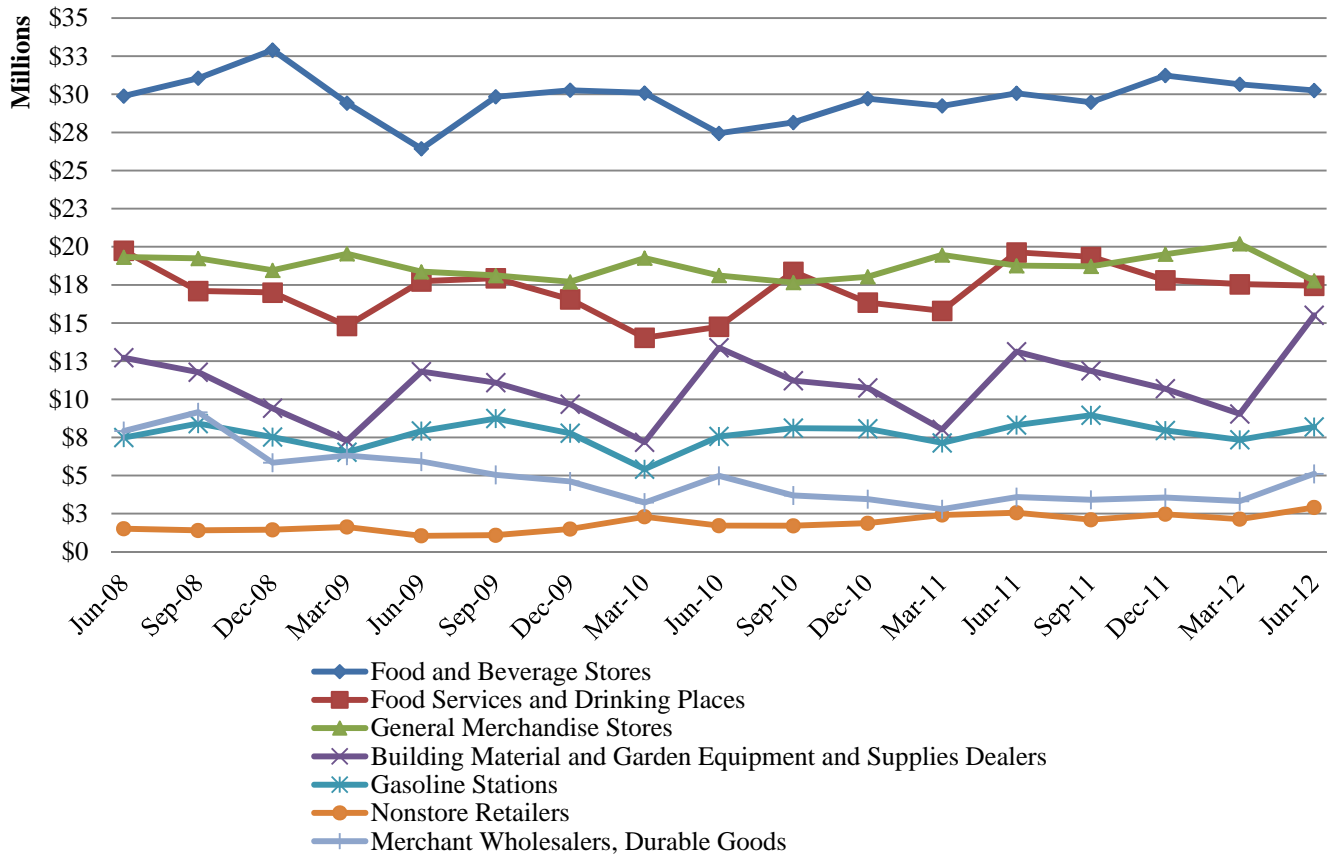


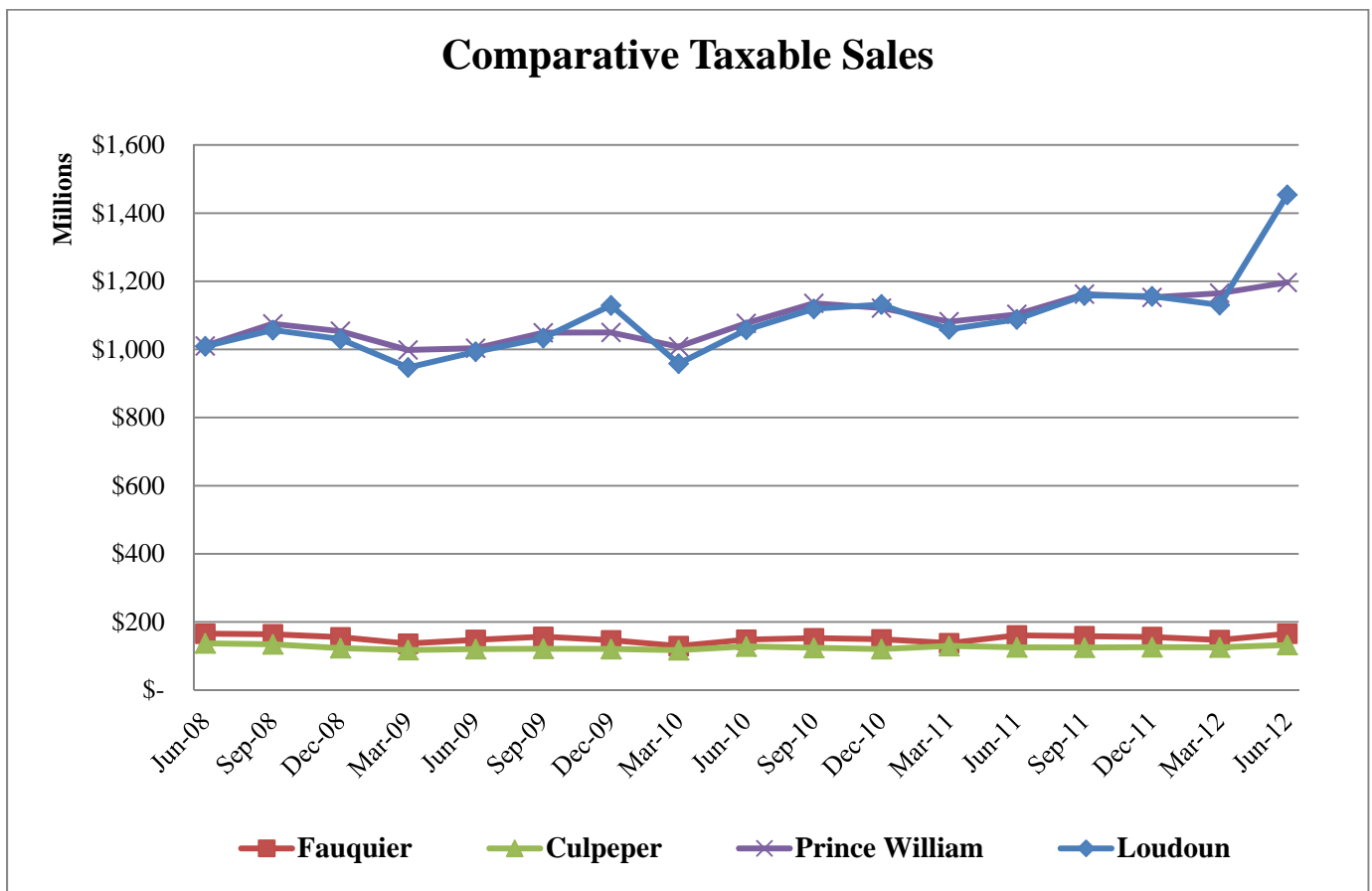
Fauquier County Taxable Sales



Fauquier County Taxable Sales

by Business Classification with \$10 million or greater in taxable sales in 2007





Source: Weldon Cooper Center for Public Service, UVA